

P-3162/CI-93-1331 ORDER TO SHOW CAUSE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
Marshall Johnson
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Commission
Initiated Investigation into the
Status of Downtown Telecom With
Respect to the Resale of CENTRON
Services

ISSUE DATE: January 14, 1994

DOCKET NO. P-3162/CI-93-1331

ORDER TO SHOW CAUSE

PROCEDURAL HISTORY

On January 19, 1993, the Commission issued its ORDER AUTHORIZING RESALE OF CENTRON SERVICE in Docket No. P-999/CI-90-235.¹ In its Order, the Commission found that under specified conditions, the resale of U S West Communications, Inc.'s (USWC')s CENTRON service was in the public interest. The Commission directed Enhanced Telemanagement, Inc. (ETI), then a holder of an interim certificate of authority to resell CENTRON, to apply for permanent authority. See Order at page 18, Ordering Paragraph 4.

The Commission clarified that its Order (the January 19, 1993 Order in the 235 Docket) simply found that CENTRON resale was in the public interest (under certain conditions) but did not grant ETI or any other CENTRON reseller authority to resell CENTRON. The Commission stated that to obtain a permanent certificate of authority to resell CENTRON, ETI and any other CENTRON reseller desiring permanent authority to resell CENTRON would have to petition the Commission for that authority as required by Minn. Stat. § 237.16 (1992). See Ordering Paragraph 5 of the January 13, 1993 Order in the 235 Docket.

On February 23, 1993, ETI submitted an application for permanent territorial authority to resell CENTRON service on an "individual case based" (ICB) pricing basis. The Company's application was assigned to Docket No. P-449/NA-93-127.

In the course of that docket, P-449/NA-93-127, USWC stated that it provided CENTRON services under its joint users tariff to two resellers in addition to ETI: Downtown Telecom and University Technologies.

On December 21, 1993, the Commission met to consider ETI's application for permanent authority to resell CENTRON services,

¹ In the Matter of a Commission-Initiated Proceeding to Determine Whether Resale of Local Telephone Service is in the Public Interest, Docket No. p-999/CI-990-235, ORDER AUTHORIZING THE RESALE OF CENTRON (January 19, 1993).

USWC's proposed CENTRON resale tariff, and related matters including the possible unauthorized resale of CENTRON by two companies identified by USWC.

FINDINGS AND CONCLUSIONS

USWC stated that it currently provides CENTRON services to two companies under the joint users tariff that it believes resell those services to third parties: Downtown Telecom and University Technologies. If these companies held certificates of authority pursuant to Minn. Stat. § 237.16 (1992), of course, USWC would now be authorized to serve them under the newly approved CENTRON reseller tariff.² However, these companies do not hold certificates of authority to resell CENTRON service or any other form of telecommunications service (e.g. pay telephone service) in Minnesota³.

USWC does not believe, as the companies reportedly assert, that they are authorized to operate without certificates of authority as PSTS providers.⁴ If USWC's evaluation is correct, the companies' resale of CENTRON services is unauthorized and termination of CENTRON services to these companies would be in order. In addition, other corrective measures for the unauthorized sale of telecommunications services may be warranted.

Instead of allowing USWC to terminate CENTRON service to these two companies immediately, the Commission will initiate an expedited investigation to determine the appropriate course of action. Under the circumstances, the Commission will commence the investigation with an Order to Show Cause to each company. To maintain the status quo during its consideration of this matter, the Commission in a separate Order issued January 11, 1994 directed USWC to continue serving these two companies for a period not to exceed 90 days from the date of that Order, i.e. 90 days from January 11, 1994.⁵ This will give the companies an opportunity to address the Commission regarding

² See ORDER APPROVING TARIFF, Docket No. P-999/CI-90-235 (January 11, 1994), Ordering Paragraph 2 at page 3.

³ They have not even applied for certificates of permanent authority to resell CENTRON in USWC's exchanges as required of all Centron resellers in the Commission's January 13, 1993 Order.

⁴ A private shared telecommunications services (PSTS) provider is authorized to operate by and pursuant to Minn. Stat. § 237.68 (1992) and does not need to obtain a certificate of authority from the Commission.

⁵ Docket No. P-999/CI-90-235, ORDER APPROVING TARIFF (January 11, 1994), Ordering Paragraph 4 at page 3.

any claim they may have regarding 1) their past and current resale of CENTRON services and 2) continued receipt of that service from USWC.

This Order to Show Cause is directed to Downtown Telecom (the Company). The other company identified by USWC as reselling CENTRON, University Technologies, is the subject of a similar but separate Order in a Docket No. P-3162/CI-93-1332.

ORDER

1. Within 30 days from the date of this Order to Show Cause, Downtown Telecom (the Company) shall file a response to this Order and serve a copy of its response upon the Minnesota Department of Public Service (the Department). In its response, the Company shall present arguments to establish why the Commission should not direct USWC to terminate provision of CENTRON services to the Company and/or take other appropriate remedial action.
2. In its response, the Company shall provide full and complete information regarding any telephone service that it provides or has provided in Minnesota.

At a minimum, the Company shall list each customer (name and location address) to which it has provided telephone service in Minnesota. For each customer, the Company shall state

- 1) what telecommunications services the Company provided;
 - 2) what authority it had to provide those services;
 - 3) what additional services the Company provided, if any;
 - 4) when it began providing the telecommunications services to the customer;
 - 5) when it terminated those services, if ever; and
 - 6) the total gross revenue it received from the provision of telephone service to the customer.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)